Debt burden of farmers

†4377. SHRIMATI SUSHMA SWARAJ: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that farmers who had taken Kissan Credit Cards have been trapped in the debt net; and

(b) if so, the efforts being made by Government to bail them out of this net?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) Since the inception of Kisan Credit Card (KCC) Scheme in August 1998, 665.63 lakh KCCs have been issued till 31st March, 2007. The credit limit to farmers is fixed on the basis of their credit-worthiness. The entire credit limit is disbursed to them in cash with discretion to purchase inputs of their choice from outlets of their choice; thus, enabling the farmers to take advantage of market conditions.

Due to the cash credit nature of loans disbursed through KCC, there is reduction in the quantum of interest paid by the farmer. Further, transaction cost for the farmer for availing of loan from the bank is also reduced.

With a view to make KCC more comprehensive in its coverage of credit needs of the farmers through a single window, the scope of the KCC scheme has been extended to cover term loans for agriculture and allied activities and a reasonable component for consumption loan. The banks have also been advised to ensure that the crop loans are routed through KCC only.

Investment Schemes of NSSF

4378. SHRI RAJEEV CHANDRASEKHAR: Will the Minister of FINANCE be pleased to state:

(a) names of investment schemes which constitute the National Small Savings Fund;

(b) rate of interest payable to investors as on 1st April 2007,

†Original notice of the question was received in Hindi.